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Susan Mosier, MD, Secretary

Department of Health & Environment

Sam Brownback, Governor

MEMORANDUM

TO: Health Care Commission

J. Scott Day Steve Dechant Kenneth Selzer Sarah Shipman Heather Young

FROM: Mike Michael

DATE: March 16, 2017

SUBJECT: Contract for Administrative Services Only (ASO) Providers

Request for Proposal (RFP) EVT0004846 to provide medical administrative services only was released January 20, 2017, and closed on March 9, 2017. Two (2) bids were received and both bidders, Blue Cross and Blue Shield of Kansas (BCBS) and Aetna, were invited in for negotiations.

The companies were asked as a follow-up to the face-to-face negotiations to provide written responses to the outstanding questions as well as to provide their best and final ASO rates. Staff reviewed the companies' responses with a focus on their abilities to accept the state requirements; the proposed ASO rates; their flexibility to work with the health plan; the ability to accurately administer the program; and their capabilities to provide accurate, timely, and quality customer service and claims processing.

Recommendation:

Staff recommends that three (3) year ASO contracts be awarded to both Aetna and BCBS.